

5/047/036

THE NATIVE ASPHALT COMPANY

136 East South Temple
University Club Building, Suite 1750
Salt Lake City, Utah 84111
(801) 532-7510

DOGM
MINERALS PROGRAM
FILE COPY

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OCT 13 1993

October 11, 1993

D. Wayne Hedberg
Division of Oil Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

DIVISION OF
OIL, GAS & MINING

RE: Land Survey

Dear Wayne:

We contacted Compliance Engineering to complete the Land Survey on the Native Asphalt site near Vernal. On June 16, 1992, Michael Manship of Compliance and I went to the site and measured points that had been previously spotted by Tony Gallegos and me on a prior visit.

Mr. Manship verbally reported his findings to me by telephone on 6-30-92. He stated that the area surveyed exceeded the five acre minimum by two acres and he would send a copy of the survey to us. We never received a copy of the survey from Manship and knowing that the area exceeded five acres, we decided to reseed a contoured overburden area with mixtures of seed previously provided us by DOGM in an effort to bring the site into compliance. We believed once we were in compliance we would obtain the survey from Manship and show the Division how we had exceeded the acre limitation but through reclamation were again in compliance.

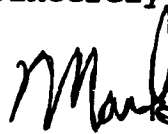
Early this spring, we planned to do work on the site, sell the existing pile and have equipment on site to reclaim a site east of the stockpile. We experienced problems with our contractor who wanted to buy our stockpile and agreed to complete reclamation and reseeding work and never followed through.

You may know this is a part-time endeavor for me and the principals of the company are in their 70s-80s. We have therefore recently entered into an agreement, with exercise date of 1-3-94, for materials from the property and will know whether we need to make plans for additional work next year or a new group will be involved with reclamation and operations on the site.

The fact this is fee property and the reputations of our principals could suffer, leave no doubt the site will be reclaimed. The question is timing and whether it will be a cease operation full site reclamation or bring under five acre ongoing operation.

We would appreciate your additional patience for these questions to be answered prior to the completion of the reclamation.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark", with a long horizontal flourish extending to the right.

Mark F. Lindsey
Secretary